

Before the  
**Federal Communications Commission**  
Washington, DC 20554

In the Matter of )  
 )  
Application by Verizon New Jersey Inc., )  
Bell Atlantic Communications, Inc. )  
(d/b/a Verizon Long Distance), NYNEX )  
Long Distance Company (d/b/a Verizon ) **CC Docket No. 01-347**  
Enterprise Solutions), Verizon Global )  
Networks Inc., and Verizon Select Services )  
Inc., for Authorization to Provide In-Region, )  
InterLATA Services in New Jersey )

**COMMENTS**  
**REGARDING APPLICATION BY VERIZON NEW JERSEY, INC.**  
**FOR AUTHORIZATION TO PROVIDE IN-REGION,**  
**INTERLATA SERVICES IN NEW JERSEY**

SUBMITTED BY

**Keep America Connected**  
**Community Action Partnership**  
**National Indian Education Association**

January 14, 2001

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## **I. INTRODUCTION**

The undersigned public interest, minority and consumer organizations hereby support the Application by Verizon New Jersey Inc., Verizon Long Distance, Verizon Enterprise Solutions, Verizon Global Networks, Inc., and Verizon Select Services, Inc., (hereinafter referred to as Verizon) requesting FCC authorization to provide in-region, interLATA services in New Jersey. We urge the Commission to undertake an expeditious review and approval of Verizon's 271 application.

Together, we support Verizon's New Jersey 271 application as being in the public interest and of real benefit to telecommunications consumers in the State of New Jersey. The primary goal of the Telecommunications Act of 1996 is to promote competition in the telecommunications marketplace. Verizon has demonstrated that it meets the tests of the Act. Verizon's entrance as a long distance competitor will open the floodgates of competition in New Jersey.

## **I. STATEMENT OF INTERESTS**

Keep America Connected! (KAC) is an organization comprised of groups whose demonstrated goals involve promoting a variety of telecommunications issues. The primary goal of KAC is that regardless of income, race, disability, age, ethnicity or geographical location, affordable access to the use of the modem telecommunications infrastructure and services should be available. This goal is best achieved through the rapid development of a fully competitive marketplace that ensures that consumers across the nation will have access to more services at lower prices.

Community Action Partnership (CAP) serves as a national forum for policy on poverty and to strengthen, promote, represent and serve its network of member agencies to assure that the issues of the poor are

effectively heard and addressed. CAP advances the economic condition, educational attainment, political influence, health and civil rights of low-income Americans through community-based programs operating at more than 900 Community Action Agencies nationwide. It is CAP's mission to ensure that low-income Americans are not left behind.

National Indian Education Association (NIEA) supports traditional Native cultures and values, to enable Native learners to become contributing members of their communities, to promote Native control of educational institutions, and to improve educational opportunities and resources for American Indians, Alaska Natives, and Native Hawaiian's throughout the United States NIEA has promoted the interests of Native Americans in telecommunications to Congress, before the FCC and in the courts.

## **II. COMMENTS**

The Commenters support Verizon New Jersey's application with the Commission. The requirements of Section 271(c) include the 14-point competitive checklist for access and interconnection on fair and nondiscriminatory terms, as well as nondiscriminatory access to Verizon's Operations Support Systems (OSS) and the existence of appropriate OSS performance measures and remedies. Verizon's application follows diligent work to meet this 14-point competitive checklist specified in the Telecommunications Act of 1996.

In Verizon's fulfillment of these requirements, the Commenter's refer to the independent audit administered by KPMG Peat Marwick LLP. KPMG Consulting, an independent consulting firm hired by the New Jersey Board of Public Utilities (BPU), conducted a 19-month review of Verizon's operations support systems. The firm evaluated 536 different aspects of Verizon's systems that competitors use when they switch local

customers' service from Verizon. KPMG's real-world tests found that Verizon met or exceeded all the federal requirements for FCC approval as evidenced by the following:

1. More than 560,000 local phone lines are served by competitors;
  2. About 100 active competitive local exchange carriers (CLECs);
  3. More than 160 agreements allowing competitors to interconnect with Verizon's network to offer alternative telecom services;
- Nearly 90 percent of Verizon's residential lines and more than 94 percent of Verizon's business lines can be accessed by competitors through arrangements in which their equipment is collocated in Verizon's switching offices;
4. A grade of "A-plus" for on-time performance (95 percent or better) based on BPU approved-measures for providing a variety of services for CLECs, including interconnection trunks, arrangements to physically locate competitors' equipment in Verizon's facilities, leased switched lines, stand-alone lines, changes in customers' lines from one carrier to another, installation appointments for DSL-capable lines, and installation of resale orders.

As in Verizon's OSS testing in New York, Massachusetts and Pennsylvania, Verizon received high marks in a comprehensive test of its back office systems in New Jersey. KPMG Peat Marwick LLP's report submitted to the BPU documents Verizon's systems as performing extremely well. The testing demonstrated that competitors can compete effectively using Verizon's systems.

According to an independent study by the Telecommunications Research and Action Center (TRAC), consumers in New Jersey would save as much as \$18.44 per month in long-distance charges alone if Verizon is allowed to enter the long-distance market. This study projects annual

savings for New Jersey consumers of between \$22 million and \$167 million on their long-distance bills in the first year after Verizon enters the market. Low-volume and daytime callers, including low-income and elderly residents, would see most of these savings. Accordingly, Verizon should be granted federal permission to offer long-distance service to New Jersey consumers.

The Commenters believe there is ample evidence that Verizon's application is stronger than those approved by the FCC for Massachusetts, New York and Texas. KAC notes that since Verizon (formerly Bell Atlantic) was granted permission to provide long-distance service in New York, more than one million consumers signed up for Verizon's services in just eight months. Indeed, a separate TRAC study of telephone competition in New York, conducted in April 2001, found that New York consumers saved up to \$217 million as the result of increased telephone competition. The study goes on to state that approximately 1.7 million residential customers have switched to Verizon for their long distance service while 2.7 million have switched their local service provider to AT&T, MCI or one of the other competitive local service providers.

Other positive outcomes of allowing Verizon into the long distance market has been their introduction of simpler and less expensive plans than most other carriers and the launching of innovative packages. For example, in New York, Verizon has introduced several calling plans with rates as low as 5 cents a minute during off-peak hours as well as plans with no minimum charges. The company has also demonstrated its commitment to serve its residential consumers' unique needs by introducing affordable international rates for calls to the Caribbean, which has proved to be especially popular. In addition, Verizon has extended off peak hours by an additional three hours (from 5 p.m. to 8

a.m. instead of the usual 7 p.m. to 7 a.m.). This allows consumers to make more calls during times that make sense for them.

The introduction of these affordable, competitive and innovative plans has been particularly attractive to the low-volume customers who most long distance companies find unattractive. The Commenters are especially pleased that Verizon offers a low-cost plan with no monthly fees or minimum usage fees for low volume users. This calling plan (known as the Timeless Calling Plan) provides consumers with a flat, low rate of 10 cents per minute and customers are automatically enrolled in this plan if they fail to select a more customized calling plan. This automatic enrollment in the Timeless Calling plan is a consumer-friendly action, unlike the practice of other long distance companies who charge customers higher "basic" rates if they do not enroll in a more compatible calling plan.

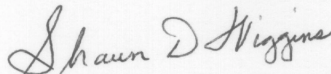
The Commenters anticipate that the company will uphold the precedent set in New York and offer residential consumers in New Jersey calling plans that are simpler and less expensive than most carriers as well as innovative calling plans which meet the unique calling needs and patterns of New Jersey consumers.

The Commenters believe the Verizon's application should be approved on its merits and for its ability to bring reality to the competitive goals of the 1996 Act. New Jersey consumers deserve the opportunity of choice for their local, long distance and advanced telephony services. It is not in the public interest to delay or deny for any considerable period of time, the entry of a new and major competitor for long distance services in New Jersey. As in New York, New Jersey consumers will recognize immediate benefits from competition, once Verizon begins to offer long distance service in the state.

### III. CONCLUSION

The Commenters again assert that the Verizon New Jersey's long distance application should be approved. Verizon's bid has the support of the community, business and political leaders from more than 50 organizations. According to the comprehensive tests conducted by KPMG Peat Marwick -- Verizon and New Jersey are ready for competition. The Commenters trust that the Commission will come to this same conclusion and take positive steps to offer New Jersey consumers the benefits of competition that the 1996 Act envisioned. The Commission must look at the pro-competitive benefits of Verizon's New Jersey long distance application and quickly approve it.

Respectfully submitted,



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